



RADAR ***SCREEN***

Legislative Digest

April 21, 1999

House Republican Conference
J.C. Watts, Jr., Chairman

Present to One Month

Aviation Investment & Reform Act for the 21st Century (AIR-21; H.R. 1000) — H.R. 1000 reauthorizes and reforms the Federal Aviation Administration (FAA), as well as removes the aviation trust fund from federal budget calculations (i.e., take it “off-budget”). In addition to these measures, the bill focuses on increasing airport security and enhancing airline competition. Specifically, the measure eliminates restrictions on takeoffs and landings at O’Hare, La Guardia, and JFK airports by March 1, 2000. At Reagan National, the bill authorizes the Transportation Secretary to issue six additional slot exemptions (arrival and departure spaces) per day for service to underserved airports and markets. The Transportation Committee reported the measure by voice vote on March 11. The House is expected to consider the measure sometime in May.

Earlier this year, the Senate Commerce, Science, and Transportation Committee reported legislation (S. 82) to reauthorize the FAA for two additional years and add 48 daily flights at Reagan National, including 24 beyond the current 1,250-mile limit. Although the measure did not add slots at the three other restricted flight airports, the Clinton Administration recently proposed dropping limits at those airports—O’Hare, Kennedy, and La Guardia—within five years. The administration did not address the flight restrictions at Reagan National, saying this was a matter for Congress to settle.

Last year, both the House and Senate passed FAA reauthorization measures. However, because of the impasse over airline competition measures (i.e., adding slot exemptions at Reagan National, O’Hare, Kennedy, and La Guardia airports—the only four U.S. urban airports with restrictions on takeoffs and landings), Congress included a short-term FAA extension (through March 31, 1999) in the FY 1999 Omnibus Appropriations Act (*P.L. 105-277*). Congress recently enacted another short-term extension through May 31, 1999.

Bankruptcy Reform Act (H.R. 833) — Last October, the House passed a bill to comprehensively reform the bankruptcy system (H.R. 3150; *H.Rept. 105-540*) by a vote of 306-118. The Senate passed its version of the bill by a vote of 94-2. The House passed the conference report (*H.Rept. 105-794*) of the

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bill by a vote of 300-125; however, the Senate did not act on the conference report. H.R. 833 initiates comprehensive reforms pertaining to consumer and business bankruptcy law and practice, and includes provisions regarding the treatment of tax claims and enhanced data collection regarding annual bankruptcy filings. The bill also establishes a separate chapter under the bankruptcy code devoted to the special issues and concerns presented by international insolvencies. The measure enhances protection for children and spouses of persons who file for bankruptcy by ensuring that child support and alimony payments ordered by a court are protected from discharge in bankruptcy. Such payments already are protected to a large extent; however, the measure makes them an even higher priority obligation in the hierarchy of outstanding debts to be satisfied in full by a person who files for consumer bankruptcy.

With over a million bankruptcies being filed each year, concerns about the economy's ability to absorb the magnitude of financial losses incurred have given rise to the need for legislation to address several issues related to bankruptcy, including (1) curbing the number of bankruptcy cases filed each year, especially consumer cases; (2) reforming the current system to curtail permissive provisions which encourage individuals to file for bankruptcy under Chapter 7 instead of Chapter 13; and (3) ensuring that vulnerable individuals are not harmed by the bankruptcy system, either by being forced to reorganize their debts if they have no means of paying for them or—for single parents and divorced persons—having portions of or all means of income from family support payments jeopardized if they are discharged in a bankruptcy case of the person responsible for making such payments. H.R. 833 was introduced by Mr. Gekas *et al.* on February 24, 1999.

Beaches Environmental Assessment, Cleanup, and Health Act (H.R. 999) — H.R. 999, which was introduced by Mr. Bilbray *et al.*, is designed to empower local health officials and communities to work directly with state and federal agencies to establish uniform national criteria for testing and monitoring coastal recreational waters and establish public notification procedures to protect both the environment and public health. The measure authorizes \$30 million in each of FYs 2000-2004 for EPA grants to states, tribes, and local governments to develop and implement programs for monitoring water quality and notifying the public. The House is expected to consider the measure this week.

Bond Market Transparency (H.R. 1400) — Commerce Committee Chairman Bliley recently introduced a bill to require the Securities and Exchange Commission to adopt rules that will make the bond market pricing system more open and improve price competition. Current practice does not obligate the bond seller disclose the price at which he or she sells bonds. The result is that dealers often sell the same bond at varying prices to different people. Recent examples of this disparity in practice include two investors who purchased an identical bond at a six percent difference (a full year's worth of interest). It is believed that increased transparency will reduce this price disparity and improve prices to bond market investors. On April 21, the full Committee reported the bill by voice vote. H.R. 1400 is expected to be placed on the suspension calendar in the next month.

Budget Process Reform (H.R. 853) — Mr. Nussle recently introduced a bill that was developed in conjunction with the Budget Committee's task force on budget process reform and the Rules Committee. Major elements of the bill include (1) converting the budget resolution from a congressional blueprint to a joint resolution that requires the president's signature and has the force of law; (2) establishing a budgetary reserve for emergencies; (3) requiring that federal agencies and Congress budget for the long-term costs of federal insurance programs; and (4) establishing an automatic continuing appropriation for programs for

which the applicable appropriation bills have not been enacted by the beginning of the fiscal year. The bill will likely be considered by May.

Campbell War Powers Resolution Act (H.Con.Res. 82 and H.J. Res. 44) — On April 12, Mr. Campbell introduced two resolutions regarding U.S. armed forces operations in Yugoslavia. H.Con.Res. 82 directs the president to follow the requirements of the War Powers Resolution (WPR) that troops not be deployed for more than 60 days without congressional authorization and consequently remove U.S. troops from the NATO forces deployed against Yugoslavia. The resolution could be considered by the House on April 30. The second resolution, H.J. Res. 44, declares war against Yugoslavia in accordance with congressional obligations under the WPR and could be considered by the House on May 4.

Civil Asset Forfeiture Reform Act — Judiciary Committee Chairman Hyde may reintroduce a bill identical to H.R. 1965 (*H.Rept. 105-358, Part I*) that the committee reported on October 30, 1997, but was not considered by the House. The measure amends the federal criminal code to establish general rules for civil forfeiture proceedings. A number of federal courts have ruled that to employ the “innocent owner” defense, owners of property that has been used in a crime—such as a boat or a car—must show a lack of consent *and* a lack of knowledge. The bill stipulates that a lack of consent *or* a lack of knowledge is sufficient if the owner took reasonable steps to prevent the illegal use of the property. In addition, the measure requires the federal government to prove by a preponderance of the evidence that property used illegally is subject to forfeiture—and so must prove criminality, not merely allege it.

The bill also requires the government to make a reasonable effort to provide fair notice to owners of property soon to be forfeited. The bill increases the time for challenging any civil forfeiture proceeding to 30 days; currently, a property owner has 10 days to challenge a federal judicial forfeiture and 20 days for a federal administrative forfeiture.

Finally, the bill (1) eliminates the requirement that a property owner must pay 10 percent of the value of the seized property—the cost bond requirement—to contest an administrative forfeiture; (2) allows seized property to be released to the owner if continued possession would cause substantial hardship; (3) allows courts to appoint counsel to those who cannot afford representation; and (4) allows property owners to sue the government for negligence if the seized property is damaged or lost while in the government’s possession.

Cox Report Declassification — In June 1998, Congress established a Select Committee on U.S. National Security and Military/Commercial Concerns with the People’s Republic of China to investigate possible illegal technology transfers from U.S. firms to the Chinese military. Lawmakers have raised concerns regarding sensitive missile technologies that may have been passed to the People’s Republic of China from American private sector companies in an attempt to better Chinese rockets launching American satellites, as well as reports of Chinese espionage at government nuclear weapons research facilities. Presently, the chairman and ranking member of the select committee, Chris Cox and Norm Dicks, continue working with the White House to remove sensitive and classified material from the public version of the report. The target date for declassification of the report was March 31, 1999; however, this date lapsed and floor action must occur before the special committee is scheduled to expire at the end of April. If the committee and the administration cannot agree on declassifying the report, Congress may vote sometime this spring to release a version of the report to the public.

Department of Defense (DOD) Authorization — DOD programs are authorized annually in a bill that includes funding for procurement, research and development, operation and maintenance, personnel accounts, and military construction. The FY 2000 authorization bill will spark debates over the size of the armed forces, weapons modernization, military readiness, pay raises, and retirement benefits.

The administration has requested \$267.2 billion for defense for FY 2000. The administration touts that it gives the Pentagon \$12.6 billion more in purchasing power than previously planned for next year. However, the committee argues that only \$4.1 billion of the additional money would be new funding. The rest comes from \$3.8 billion in lower than anticipated inflation and fuel costs, \$3.1 billion from deferring certain military construction spending until 2001, and \$1.6 billion in unspecified rescissions. The president's request would raise military pay by 4.4 percent and offer incentive pay packages for certain critical military personnel in FY 2000. Additionally, the request would repeal a 1986 change to military retirement policy. (Including DOD, DOE, and other national defense budget funds, the president's proposal amounts to a total of \$280.8 billion). According to the committee, Clinton's FY 2000 proposal falls at least \$18 billion short of the requirements of the service chiefs and as much as \$70 billion short of DOD's needs for the next six years. The committee held hearings from February to March and will mark up the measure in early May.

The FY 2000 budget resolution calls for \$288.8 billion (a \$9.9 billion increase over FY 1999) in budget authority and \$274.6 billion in outlays for national defense in FY 2000, a \$10 billion increase over FY 1999. Approximately 95 percent of the funds in this function are provided to develop, maintain, and equip the military forces, including ballistic missile defense. The remaining funds finance defense-related activities of the Department of Energy and other defense-related activities. The funding includes pay and benefits for military and civilian personnel; research, development, testing, and evaluation of defense projects; procurement of weapons systems; military construction and family housing; and operations and maintenance of the defense establishment. Other issues that the committee plans to address include funding for Bosnia peacekeeping operations. For the first time, Bosnia will be funded as part of a regular authorization and not through emergency supplemental appropriations.

FAA Research and Development Authorization Act — The Science Committee plans to report legislation by mid-May to authorize funding for the Federal Aviation Administration (FAA) to carry out its research, engineering, and development programs. These FAA programs conduct projects and activities intended to improve the national air traffic control system by increasing its safety, security, capacity, and productivity. The programs also oversee human factors research, aviation medical research, environmental research to mitigate aircraft noise and engine emissions, and airway facilities maintenance. The president has requested \$206 million for these programs.

Foreign Relations Authorization Act (H.R. 1211) — H.R. 1211 authorizes \$3.52 billion for the State Department and affiliated programs for FY 2000. This amount includes \$600 million annually to upgrade security worldwide, as well as \$963 million annually for payments to international organizations and \$235 million for contributions to international peacekeeping activities. Furthermore, H.R. 1211 authorizes international commissions, migration and refugee assistance, public diplomacy programs, and other contributions, services, and guidelines pertaining to United States foreign relations. It also discusses the rights of United States citizens abroad and human rights reports regarding refugees. The measure was introduced by Mr. Smith (NJ) and the International Relations Committee expects to mark up the bill within the next month.

Historic Preservation Fund (H.R. 834) — The Historic Preservation Fund, established within the U.S. Treasury and administered by the National Park Service, is a federal matching grant program (funded on a 60 percent matching share basis) that encourages private and non-federal investment in historic preservation efforts by providing grants to states, territories, Indian tribes, and to the National Trust for Historic Preservation to assist their efforts to protect and preserve properties listed in the National Register of Historic Places. HPF grants serve as a catalyst and “seed money” to protect and preserve historic American sites, buildings, and objects of significant cultural heritage. Most often, funding is used to subsidize the costs of surveys and statewide historic preservation plans, as well as prepare National Register nominations, architectural plans, historic structure reports, and engineering studies. The Subcommittee on National Parks and Public Lands held hearing on the bill on April 15; however, the committee has not yet scheduled a date for markup. Last year, the House passed legislation to reauthorize the HPF (H.R. 1522; *H.Rept. 105-484*) by voice vote; however, it was not enacted before adjournment.

Homeless Housing Programs Consolidation and Flexibility Act (H.R. 1073) — H.R. 1073 amends the Stewart B. McKinney Homeless Assistance Act (*P.L. 100-77*) to consolidate the seven existing homeless aid programs into one block grant program that provides states and communities with flexibility to use available funds more effectively. The bill requires local communities to add public or private funds to match any federal dollar (typically at a rate of 50 percent), and establishes procedures for greater local accountability of expenditures. The House passed similar legislation in the 105th Congress (H.R. 217; *H.Rept. 105-407*) by a vote of 386-23; however, the Senate did not act on the measure before adjournment. The Banking Subcommittee on Housing and Community Opportunity approved the measure on April 15.

Juvenile Justice Reform (H.R. 905 & H.R. 1150) — The Education & the Workforce Committee plans to consider legislation to increase flexibility in the way juvenile criminals are treated during incarceration, increase funding for youth programs designed to keep potential youth criminals off the streets, and reauthorize runaway and homeless youth programs. The following are two bills that concern runaway and missing youth and programs to prevent juvenile delinquency.

- * **Missing, Exploited, and Runaway Children Protection Act (H.R. 905).** The bill authorizes \$10 million for each of FYs 1999-2004 for a grant to the National Center for Missing and Exploited Children. The center will use the grant to operate a national 24-hour, toll-free telephone line for reporting information regarding missing children (under the age of 13) as well as other activities. The bill was introduced by Mr. Castle on March 2, 1999.
- * **Juvenile Crime Control and Delinquency Prevention Act (H.R. 1150).** The bill authorizes such sums as necessary for FYs 2000-2003 to support state and local programs that prevent juvenile involvement in delinquent behavior. The measure was introduced by Mr. Greenwood on March 17, 1999.

Missile Defense Conference Report (H.R. 4) — The House and Senate are expected to appoint conferees soon to resolve differences over measures establishing U.S. policy regarding deploying a national missile defense. Both bills are only one sentence long and state that it is the policy to the U.S. to deploy a national missile defense; however, the Senate bill also includes the term “as soon as technologically

possible.” The House passed H.R. 4 by a vote of 317–105 on March 18, and the Senate passed its version (S. 257) by a vote of 97–3 on March 17.

Neotropical Migratory Bird Conservation Act (H.R. 39) — H.R. 39 creates a Neotropical Migratory Bird Conservation Account as a separate entity within the Multinational Species Conservation Fund to help formulate an effective international plan to assist in conserving neotropical migratory birds. The measure authorizes up to \$8 million for the account each year until September 30, 2004. The bill is modeled after successful conservation efforts to assist African and Asian elephants, rhinoceroses, and tigers. The Resources Committee reported the bill on March 17, 1999.

Nuclear Waste Disposal — The House will soon consider legislation to resolve the issue of establishing a permanent repository for the nation’s nuclear waste. Since the Department of Energy (DOE) will not have a permanent storage facility ready until 2010 at Yucca Mountain in Nevada, it needs to establish an interim facility so that the federal government can live up to its legal obligation to begin accepting spent nuclear waste. Mr. Upton has introduced legislation (H.R. 45) to establish an interim facility to deal with the spent nuclear fuel. H.R. 45 revises the 1987 Nuclear Waste Policy Act (*P.L. 100-202* and *P.L. 100-203*) to address problems and delays that have occurred during the development of an interim storage site and a permanent disposal site for nuclear waste. Specifically, the bill (1) outlines procedures by which the waste will be transported to an interim storage site; (2) enhances safety and emergency training of public safety officials in states that the waste will be transported through; (3) extends the date for which DOE must begin accepting waste at an interim site from 1998 to 2003; (4) increases the amount of waste that may be accepted at the interim site; and (5) replaces the user fee, which is based on a flat rate, with a fee based on the amount needed to complete the project.

On April 14, the Commerce Subcommittee on Energy and Power adopted a substitute amendment by voice vote that is intended to find a middle ground with the Clinton Administration. New provisions adopted to H.R. 45 include (1) moving the \$8 billion nuclear waste fund off-budget to free up additional funding for construction at an interim site and the permanent site at Yucca Mountain; (2) authorizing DOE to take ownership of spent waste at utilities, until its movement to a temporary storage area, in exchange for nuclear electric companies dropping lawsuits against the government for failing to remove waste on time; and (3) prohibiting new lawsuits against DOE for failing to meet any new statutory deadlines. The full committee reported the measure by a vote of 40-6 on April 21, and the measure is expected to be ready for floor consideration in early May.

Nursing Relief for Disadvantaged Areas (H.R. 441) — H.R. 441 permanently authorizes the H-1A program, which grants special temporary work visas for foreign nurses to work in poor rural and urban areas. The program expired last fall. Specifically, the measure grants 500 temporary non-immigrant visas each year to allow foreign nurses to work in understaffed offices. To assuage the concerns of those who contend that the program eliminates jobs for American nurses, the bill requires hospitals to prove they have exhausted all attempts to recruit and retain domestic nurses before they can participate in the H-1A program. The bill was introduced by Messrs. Rush and Hyde on February 2, 1999.

Pell Grant Award Increase (H.R. 959) — Chairman Goodling has introduced a bill to raise the maximum Pell Grant award level to \$6,500 in fiscal year 2000, up from the current authorized level of \$4,800 and the

current appropriations level of \$3,125. Raising the maximum Pell Grant award level to \$6,500 is intended to restore the purchasing power the grant had in the late 1970s. The Education & the Workforce Committee plans to report the bill sometime in May.

Pipeline Safety (H.R. 1378) — Mr. Barton recently introduced legislation to reauthorize the Natural Gas and Hazardous Liquid Pipeline Safety Act for another two years. The current authorization expires in September 2000. In the 104th Congress, lawmakers enacted legislation (*P.L. 104-304*) to reauthorize the Transportation Department's pipeline safety program through FY 2000. The Office of Pipeline Safety has regulatory authority over approximately two million miles of natural gas pipelines and nearly 200,000 miles of hazardous liquid pipelines. Until 1996, Congress approached pipeline safety by requiring the Department of Transportation to implement minimum federal standards for all pipelines. However, in 1996, a new approach was developed for dealing with this issue. Pipeline operators were authorized to conduct a risk management demonstration project and take a risk assessment approach to enacting new regulations and guidelines. The Commerce Committee reported the bill by a vote of 40-0 on April 21. The Transportation Committee also shares jurisdiction over this measure, but has not yet taken action on it.

Postal Reform Act (H.R. 22) — Last Congress, the Government Reform Subcommittee on Postal Service reported legislation to reform the U.S. Postal Service, but the full committee did not act on the measure. However, Mr. McHugh has again introduced omnibus legislation to implement a number of reforms relating to the U.S. Postal Service's organization, general authority, finance, budget and appropriations process, postal rates, transportation and delivery of mail, and law enforcement procedures that modernize the postal service. The Government Reform Postal Service Subcommittee is tentatively scheduled to mark up the bill on April 28.

Satellite Home Viewer Act — The Commerce and Judiciary Committees are working on legislation to prohibit satellite TV companies from being forced to turn off network programming to almost two million households. The 1988 Satellite Home Viewer Act (SHVA) permits satellite retransmission of network television programming only if a subscriber meets certain conditions. Many in Congress feel that satellite delivery is the most likely alternative to offer competition to cable television. However, questions have arisen over the delivery of network signals to satellite dish subscribers, which was prohibited in the 1988 law.

Among the issues to be debated is, if such restrictions are lifted, whether satellite providers must abide by the same regulations as cable television providers. H.R. 851, reported by the Commerce Committee by voice vote on March 25, allows satellite companies to carry local stations in isolated areas *and* in cities, where they compete with local broadcasters and cable television. The bill repeals an 11 year-old law that prevents satellite companies from carrying network programs in areas where local channels may be received with an antenna. Also, the bill requires satellite companies to accept provisions that mandate them to carry all local stations in all markets by 2002. A recent agreement between the four major networks and the satellite broadcaster DirecTV on the use of distant broadcast signals is likely to speed legislation on the SHVA reform bill. The agreement allows satellite subscribers living in "grade A" areas to have their distant signals reception shut off on June 30th and subscribers living in "grade B" areas to have their distant signals terminated on December 31st. Additionally, DirecTV has agreed to provide discounted antennas to subscribers who will lose their signals.

The Commerce (H.R. 851) and Judiciary (H.R. 1027) Committees are currently working out differences between their respective bills. The merged bill is expected to be ready for floor consideration this within the next two weeks.

Social Security Return to Work — Last year, the House passed legislation (the Ticket-to Work and Self-Sufficiency Act; H.R. 3433; *H.Rept. 105-488*) by a vote of 410-1 to allow disabled beneficiaries of certain Social Security and disability benefits to work outside of their homes and be self-sufficient. The measure allowed beneficiaries to receive vocational rehabilitation and other support services from a network of providers or select them using a newly created “Ticket-to-Work” provider subscription network. The measure is aimed at removing the barriers that prevent disabled Social Security and Supplemental Security Income recipients from entering the workforce. Since the measure’s passage, the administration and a bipartisan group in the Senate endorsed an expanded and more costly version of the proposal. The Commerce Subcommittee on Health and Environment is scheduled to mark up legislation (H.R. 1180) on April 20. Mr. Hulshof recently introduced similar legislation (H.R. 1091). The Ways & Means Committee shares jurisdiction on this issue.

FY 1999 Supplemental Appropriations Conference Report (H.R. 1141) — The House recently passed legislation (H.R. 1141; *H.Rept. 106-64*) by a vote of 220-211 to appropriate \$1.3 billion in supplemental funding, including \$956 million in emergency disaster relief to victims of Hurricanes Mitch and Georges in Central America, \$10 million for earthquake victims in Columbia, \$100 million in economic and military aid to Jordan, and \$152 million in loan guarantees to farmers. The measure also includes \$91 million in non-emergency spending. The measure is fully paid for with offsetting cuts, except for \$195 million to reimburse the Department of Defense for its initial response to the Caribbean hurricanes. In addition, conferees may include additional defense spending (the president requested approximately \$6 billion) to fund U.S. participation in the conflict in Kosovo as well as replenish weapons and supplies.

U.S. Customs/USTR/ITC Reauthorization — The Ways & Means Committee is expected to consider legislation to reauthorize the U.S. Customs Service, the Office of U.S. Trade Representative (USTR), and the International Trade Commission (ITC) later this year. In the 105th Congress, the House passed legislation (H.R. 3809; *H.Rept. 105-541*) by a vote of 320-86 to reauthorize the Customs Service and increase funding to combat the entry of illegal drugs; however, the Senate did not act on the measure before adjournment. The Subcommittee on Trade is expected to mark up reauthorization legislation in late April.

Water Resources Development Act (WRDA) — The Water Resources Development Act has not been reauthorized since 1996. The Transportation Water Resources Subcommittee has held a series of hearings on WRDA last year; however, the committee did not report a bill before adjournment. WRDA, which provides policy directives and authorizes the Army Corps of Engineers’ civil works program, is the nation’s largest water resources program, involving the Corps in navigation, flood control, shore protection and streambank erosion control, hydroelectric power, recreation, water supply and quality management, and environmental restoration and protection. The committee is scheduled to mark up draft legislation on this issue on April 22.

Workplace Preservation Act (H.R. 987) — The bill requires the Labor Secretary to wait for the National Academy of Sciences to complete its study of the cause-and-effect relationship between repetitive tasks in the workplace musculoskeletal disorders or repetitive stress injuries before issuing standards or guidelines on ergonomics. The Occupational Safety and Health Administration (OSHA) has announced that it plans to propose regulations this year regarding “ergonomics,” the applied science of equipment design intended to maximize productivity by reducing operator fatigue and discomfort. Backers of the measure express concerns that such regulations are based on scant evidence and could impose enormous and unnecessary costs on businesses. The measure was introduced by Mr. Blunt and is expected to be ready for floor consideration within a month.

Year 2000 Readiness and Responsibility Act (H.R. 775) — Mr. Davis (VA) introduced H.R. 775 with broad, bipartisan support on February 23, 1999. At present, businesses are attempting to correct potential computer malfunctions related to the Year 2000 problem. However, such efforts are being painstakingly scrutinized by corporate legal divisions for fear of incurring liability over systems that software engineers attempt to fix. For small businesses, the fear of litigation is particularly acute, given their considerably smaller stores of capital (relative to large employers).

The measure provides a brief grace period during which businesses may fix Y2K computer problems before lawsuits may be filed. In addition, the bill encourages disputing parties to settle outside of the court system through alternative dispute resolution. H.R. 775 also provides small businesses and entrepreneurs access to loans to pay for Year 2000 remediation.

One to Three Months

Africa Growth and Responsibility Act (H.R. 434) — H.R. 434 authorizes a new trade and investment policy for sub-Saharan Africa to complement traditional forms of assistance. The measure establishes a series of mechanisms by which the president determines the eligibility of a specific sub-Saharan African nation to participate in U.S. economic and financial aid programs. The president determines the eligibility based on the country’s adherence to human rights, its commitment to economic reform, and its reduction of tariff barriers to trade. Supporters of the legislation believe a strong trade and investment relationship between the U.S. and the countries of sub-Saharan Africa will reduce poverty and expand economic opportunity so that African nations can ensure their own stability and security. In the 105th Congress, the House passed similar legislation (H.R. 1432; *H.Rept. 105-423, Pts. I & II*) by a vote of 233-186. The International Relations Committee reported the bill (*H.Rept. 106-19, Pt. I*) by a vote of 24-8 on February 11, 1999. The Ways & Means Trade Subcommittee reported the bill by a vote of 14-0 on February 3.

American Land Sovereignty Protection Act (H.R. 883) — H.R. 883 requires congressional approval of international land designations (i.e., designating land as a World Heritage site or Biosphere Reserve) by the executive branch. World Heritage areas are natural sites or cultural monuments recognized by the United Nations Educational, Scientific, and Cultural Organization (UNESCO). Proponents of the bill argue that allowing the administration to arbitrarily nominate and designate land further centralizes land-use policy-making authority in the executive branch, thereby diminishing public participation in international efforts to protect and preserve valuable lands throughout the world. Currently, the U.S. has 20 World

Heritage Sites, including the Statue of Liberty and Independence Hall, and 47 Biosphere Reserves. Private land owners are concerned about decreasing property value when part of their land or adjoining land falls under the strict land-use requirements of UNESCO. The House passed identical legislation in the 105th Congress (H.R. 901; *H.Rept. 105-245*) by a vote of 236-191; however, the Senate did not act on the measure before adjournment. The Resources Committee held hearings on the measure on March 18 and the measure is tentatively scheduled for markup in early May.

Annual Veterans Legislation — The Veterans' Affairs Committee will consider several agenda items on its annual calendar. Specifically, the committee will consider legislation to authorize a cost-of-living adjustment (COLA) for veterans for FY 2000, as well as a bill to authorize major VA construction projects around the country. Both of these issues will likely be considered later this summer.

FY 1999 C/J/S/J Appropriations — The FY 1999 Omnibus Appropriations Act (*P.L. 105-277*) enacted last October appropriated funding for the Departments of Commerce, Justice, and State, and the federal judiciary only through June 15, 1999. Congress and the administration agreed to limit funding to June 15 at the president's request in order to await the Supreme Court decision over the use of statistical sampling versus actual enumeration as a proper method to conduct the national census count. The Court recently ruled that sampling was illegal for determining apportionment of congressional seats among the states, but left unresolved whether sampling could be used for other purposes, such as determining federal funding distributions to states or by states for congressional redistricting. In response, the administration announced a new plan to produce two census count numbers, an accurate enumeration for Congress and the Courts and another using sampling for all other purposes. Republicans in Congress oppose the use of sampling, arguing that it is less accurate locally and subject to political manipulation; they support giving the Census Bureau the necessary additional funding to conduct a complete count through aggressive outreach to all communities. The House will consider legislation to appropriate C/J/S/J funding for the rest of the fiscal year sometime before June 15 deadline.

Court of Appeals for Veterans Claims Act (H.R. 605) — H.R. 605 makes a number of changes to improve the internal operation of the U.S. Court of Appeals for Veterans Claims. The measure (1) outlines procedures to recall retired judges to service to assist in the operation of the court; (2) prescribes the rates of pay for certain retired judges, and the conditions of eligibility for increases in retired pay; (3) authorizes early retirement of one judge per year for the years 1999 through 2003 to eliminate the potential for *en masse* retirements; (4) establishes procedures for an orderly replacement of current judges; and (5) specifies the computation of reduced retired pay for judges who retire early. Similar provisions were included in legislation the House passed last year (H.R. 4110; *H.Rept. 105-627*) by voice vote; however, these provisions were not included in an omnibus veterans' bill enacted late last year (*P.L. 105-368*). The bill was introduced by Messrs. Stump and Evans; the measure is expected to be ready for floor consideration sometime this summer.

Dollars to the Classroom Act (H.R. 2) — The committee expects to consider H.R. 2 (similar to H.R. 3248, *H.Rept. 105-710*, which passed the House by a vote of 212-198 on September 18, 1998) later this year. The measure consolidates 31 federal elementary and secondary education programs and replaces them with block grants to states, of which 95 percent will be earmarked for distribution to local education

agencies (LEAs) in the hopes of trimming administrative costs and boosting funds spent directly on public school classrooms.

By consolidating these 31 programs, the bill completely replaces the 1994 School to Work Opportunities Act (*P.L. 103-239*), as well as portions of the 1965 Elementary and Secondary Education Act (ESEA, *P.L. 89-10*) and a great deal of the 1994 Goals 2000: Educate America Act (*P.L. 103-227*). Most of these programs are currently authorized through FY 1999. Funds in the bill will be paid to the state governor, who will distribute them to the individual or entity in the state responsible for the dissemination of federal education funds. The bill grants to states the option to continue, with the consolidated grants, the services they carried out under the programs in their current incarnation. The measure will likely be considered by June.

Elementary and Secondary Education Act (ESEA) Reauthorization — The 1965 Elementary and Secondary Education Act (ESEA), last authorized in 1994, is set to expire during the 106th Congress. The ESEA covers so-called Title I programs, which authorize funding for economically-disadvantaged students, safe and drug-free schools programs, teacher training, magnet schools, education technology, bilingual education, and myriad other federal education initiatives. In the current fiscal year, ESEA programs are funded at \$13.9 billion. The ESEA reauthorization debate will turn on directing more funds toward teacher quality, reducing the regulatory burden on local school districts, sending federal funding directly to classrooms, and elevating student performance standards.

- * **School Construction.** During the ESEA reauthorization process, the committee expects to include a provision that amends the 1986 Internal Revenue Code to relax the “arbitrage rebate” rules for bonds issued to finance public school construction. Essentially, the increase allows schools to keep more of the profits resulting from sales in securities markets.

Emergency Residents Protection Act (H.R. 1336) — H.R. 1336 mandates that seniors and persons with disabilities living in affordable housing facilities with expiring subsidy contracts receive more flexible rental assistance to allow them to continue living in their current homes. The bill also provides additional tools to encourage owners of affordable housing to renew their subsidy contracts with the federal government, thus retaining these units for low- and moderate-income persons. In FY 2000, federal subsidy contracts that provide housing assistance for more than 2.3 million families will expire. The measure was introduced by Mr. Lazio *et al.*; the bill is expected to be ready for floor consideration later this summer.

Financial Information Privacy Act (H.R. 30) — The text of H.R. 30 has been included in H.R. 10, which the Banking & Financial Services Committee reported by a vote of 51-8 on March 11. The measure makes it a crime to obtain or solicit customer information from a financial institution under false pretenses. The purpose of the legislation is to protect consumers by preserving the confidentiality of customer information maintained by banks and other financial institutions, and attempt to address the significant threat to financial privacy posed by an emerging industry of so-called “information brokers,” who use deception and false pretenses to collect personal financial information for their clients. In response to these growing threats to financial privacy, the committee has conducted extensive oversight in the last two Congresses designed to educate consumers and providers of financial services regarding the nature of the threats, and to encourage the development of legislative solutions to address them.

Financial Services Competition Act (H.R. 10)— During the 105th Congress, the House passed legislation (H.R. 10; *H.Rept. 105-164, Pts. I-IV*) to modernize the 1930s laws governing the banking, securities, and insurance industries by a vote of 214-213. H.R. 10 allows banks to affiliate with other financial institutions, such as investment banks and insurance companies. Current law prohibits banks from offering a full range of financial services and prevents securities and insurance firms from accepting deposits or affiliating with deposit-taking institutions. The goal of the proposal is to (1) level the competitive playing field within the financial services industry; (2) increase competition to reduce the costs of services for customers; and (3) boost the international competitive position of American firms. Following are the measure's three main areas of reform:

- * *Financial Holding Companies.* H.R. 10 repeals the anti-affiliation provisions of the 1933 Glass-Steagall Act and the 1956 Bank Holding Company Act, and makes other changes in law to allow for the merger of banking, insurance, and securities organizations.
- * *Functional Regulation.* The bill amends the 1934 Securities Exchange Act to establish functional regulation of bank securities activities. Banks currently enjoy a complete exemption from Securities and Exchange Commission (SEC) regulation as a broker-dealer. The bill establishes specific guidelines for insurance products that banks and other financial institutions may offer.
- * *Thrift Charter.* Under the bill, the Office of Thrift Supervision may no longer authorize any additional unitary thrifts. The bill does, however, grandfather existing unitaries, which may operate only one savings and loan through several branches. The measure restricts the ability to transfer existing charters to financial firms. Thrifts are savings institutions originally created to offer home loans.

H.R. 10 was introduced by Chairman Leach *et al.*; the Banking & Financial Services Committee reported the bill by a vote of 51-8 on March 11. The Commerce Committee has joint jurisdiction on the bill. The measure is expected to be ready for floor consideration by late May.

Health Care Quality — Last year, the House passed the Patient Protection Act (H.R. 4250) by a vote of 216-210. In response to the growing concern that many in the public have expressed over the managed care industry, the measure was designed to ensure that the nation's health care system is accessible, affordable, and accountable. This year, the House is expected to consider legislation to address some of the issues outlined below. These issues include open communication between physicians and patients (elimination of "gag" rules), access to emergency care, openness of health plan information, external reviews by independent physicians, malpractice reforms, and confidentiality of medical records. The Commerce, Education & Workforce, and Ways & Means Committees will work on these issues to ready legislation for floor consideration. The House may consider some or all of the following issues:

- * **Gag Rules.** The phrase "gag rules" was coined to refer broadly to clauses in provider contracts that may prohibit or limit provider-patient communications about medical conditions, care, and treatment. The House may consider legislation again this year (similar to H.R. 4250 last year) to lift "gag rules" placed on medical providers to allow open communications between patients and doctors in order for the patient to make fully-informed decisions about the best course of treatment—thus guaranteeing a patient's "right to know";

- * **Access to Emergency Care.** The House may consider legislation to (1) guarantee access to emergency care by applying a “prudent layperson” standard of what constitutes an “emergency”; (2) prohibit health plans from arbitrarily refusing to pay for covered emergency benefits; and (3) prohibit health plans from requiring patients or their doctors to get prior approval before seeking or providing emergency services;
- * **Healthmarts.** Congress is expected to consider the issue of creating “Healthmarts”—private, voluntary, and competitive health insurance “supermarkets” that transfer choice within the current employer-based health insurance market from small employers to their employees and dependents. These plans will be established and run by private sector partnerships consisting of providers, consumers, small employers, and insurers. Healthmarts use competition and the marketplace to empower people to choose among insurance options;
- * **Health Plan Information.** Many lawmakers believe that managed-care companies are not doing enough to inform patients about the specific details of their health plan. As such, the House may examine legislation to ensure greater disclosure of health plan information so that patients are able to learn what their plan specifically covers, including benefits, doctors, and facilities, in addition to information on premiums and claims procedures;
- * **Review of Managed-Care Decisions.** Most managed-care organizations have internal procedures to address enrollee complaints. While such grievances may or may not be resolved to an enrollee’s satisfaction, often they may not be appealed. The House may consider legislation to establish procedures to give patients more power to challenge insurers’ decisions about coverage. Last year, the Patient Protection Act stipulated that patients must be given access to a timely, independent, review process by physician specialists. Proponents of the review process argue that it gives patients the care they need in hospital rooms—not courtrooms;
- * **Medical Savings Accounts.** The House may consider expanding medical savings accounts (MSAs) to increase access to health care services and greater patient-control of health care expenditures. An MSA demonstration was included in the health insurance portability law (*P.L. 104-191*) passed in 1996. Essentially, MSAs are tax-advantaged personal savings accounts for unreimbursed medical expenses that can be used to pay health insurance deductibles, coinsurance, and copayments, as well as medical expenses that insurance does not cover. Last year, the House passed legislation to make MSAs available to all Americans;
- * **Malpractice Reforms.** Last year, the Patient Protection Act established a \$250,000 limit on non-economic medical malpractice damage awards, unless a state already has a higher cap in place. Supporters of the cap point to the myriad unnecessary lawsuits that played a big role in swelling the cost of health care during the ’70s and ’80s. Critics contend that restricting the legal remedies available to patients curtails their rights and lets providers off the hook; and
- * **Medical Record Confidentiality.** The House may consider legislation to allow patients to access their medical records in order to view, copy, and amend them, and require

providers, plans, and employers to disclose their confidentiality policies to their patients, enrollees, and employees. This measure stems from increased concerns from the public regarding safeguarding medical record confidentiality to protect personal and sensitive health care data from abuse.

Homeowners' Insurance Availability Act (H.R. 21) — H.R. 21 provides a voluntary federal reinsurance program which “backs-up” state reinsurance programs and regions of the country vulnerable to natural disaster. This proposal addresses the current lack of available or affordable single family home insurance in highly disaster-prone areas such as Florida, Hawaii, and California, where the potential for property losses exceeds the state’s ability to adequately insure and provide coverage. The federal reinsurance program is paid through premiums received directly from the states that are based on actuarial rates. H.R. 21 was introduced by Mr. Lazio *et al.* The Banking and Financial Services Committee reported similar legislation in the 105th Congress (H.R. 219; *H.Rept. 105-407*) by a vote of 33-12; however, the House did not consider the measure before adjournment. The legislation will likely to be ready for floor consideration this summer.

Jackson-Vanik for Vietnam — Later this summer, the committee may consider the Jackson-Vanik status of Vietnam. The Jackson-Vanik provisions of the 1974 Trade Act (*P.L. 93-618*) prohibit countries with non-market (i.e., communist) economies from engaging in trade with the U.S. if that country maintains restrictive emigration policies. However, the president may waive this prohibition on an annual basis if he certifies that doing so will promote freedom of emigration in that country. The House may consider a resolution to disapprove such a waiver. Currently, Vietnam does not enjoy normal trade relations (NTR) with the U.S.; if it did, it would not need to have emigration practice restrictions waived by the president. Last year, the House defeated a similar resolution (H.J.Res. 120; *H.Rept. 105-653*) by a vote of 163-260.

Money Laundering Prevention — The Banking & Financial Services Committee may consider several measures to strengthen federal law enforcement efforts to combat money laundering—the process by which criminal elements seek to convert the monetary proceeds of their illicit activity into funds through an apparently legal source—and encourage greater reporting of suspicious financial activity by financial institutions and their agents. In the 105th Congress, the House passed the Money Laundering Deterrence Act (H.R. 4005; *H.Rept. 105-611, Pt. I*), which extended “safe harbor” protection to independent public accountants who submit reports of suspicious financial activity to the federal government. The bill also grants immunity from liability to financial institutions that include suspicions of an employee’s involvement in illegal activity when making employment references, unless such suspicions are known to be false or the institution acted with malice or reckless disregard for the truth. The House passed H.R. 4005 by voice vote; however, the Senate did not act on the measure before adjournment.

Normal Trade Relations with China — Later this summer, the Ways & Means Committee is expected to consider China’s annual Normal Trade Relations (NTR; formerly called Most Favored Nation) status. This issue traditionally engenders contentious debate. Opponents of NTR for China argue that the U.S. should base China’s trade status on its observance of human rights and its adherence to nonproliferation agreements. They say that China should be punished, rather than rewarded, for continuing to ignore U.S. requests to stop its policies of brutally suppressing peaceful political dissent, for exporting nuclear and

missile technology to rogue nations, and for recent acts of espionage and theft of U.S. nuclear technology. Supporters of NTR, in contrast, contend that revoking China's trading status will isolate the country, bolster nationalist and militant factions during an important period of political transition, and ruin any chance of getting Chinese cooperation on human rights, nuclear proliferation, or a host of other regional issues. Proponents argue that revoking NTR will inflict a heavy cost on many export-dependent sections of the U.S. economy and cost a significant number of jobs. Last year, the House defeated a resolution (H.J.Res. 121; *H.Rept. 105-638*) to deny NTR status to China by a vote of 166-264.

North Korea Missile Proliferation — The International Relations Committee is expected to consider a bill this spring to prevent North Korea from further developing weapons of mass destruction by (1) imposing conditions on the delivery of U.S. oil and food assistance; (2) imposing conditions on North Korea's entering into nuclear cooperation agreements; and (3) mandating the continuation of the existing U.S. embargo on North Korea. The U.S. believes that North Korea is developing an underground site to develop plutonium for use in nuclear weapons, which would constitute a direct violation of the 1994 nuclear non-proliferation accords to which North Korea agreed. In addition, the rogue nation has completed the development of Rodong missiles with a range of 1,000 kilometers and is in the process of developing longer-range Taepo Dong 1 and Taepo Dong 2 missiles, with ranges of over 1,500 kilometers and 4,000-6,000 kilometers, respectively. North Korea also has a large stockpile of chemical weapons. Action on this bill has been postponed until the committee receives the Perry Report, a synopsis of U.S. relations with North Korea that is being drawn up by former Defense Secretary Perry. The committee is tentatively scheduled to mark up the bill in June.

Preserving Affordable Housing for Senior Citizens into the 21st Century Act (H.R. 202) — H.R. 202 preserves the existing affordable housing program for senior citizens by converting the financing of pre-1990 senior housing developments to a modern program of capital grants (i.e., converting outstanding loan balances into capital advances). The bill will relieve non-profit entities from excessive debt service, thus providing the opportunity for greater program self-sufficiency. The measure is expected to save taxpayer money over the long term by reducing the need for project-based rental assistance. Prior to 1990, senior housing developments were financed through direct loans and project-based rental assistance contracts. In the year 2001, the rental assistance contracts on 215,000 housing units will begin to expire. The measure also increases funding for affordable senior housing from \$660 million to \$700 million and for housing for persons with disabilities from \$194 million to \$225 million. The bill was introduced by Mr. Lazio *et al.*; the Housing and Community Opportunity Subcommittee recently held the first in a series of hearings on the bill in Syracuse, New York. The committee expects the bill to be ready for floor consideration later this year.

Production Flexibility Contract Payments (PFC) — The Agriculture Committee is expected to consider legislation to allow eligible producers to take their entire PFC payment at any time during the fiscal year that such payments are authorized. The bill accords farmers this flexibility for the remainder of the 1996 Farm Bill authorization period, for fiscal years 2000, 2001, and 2002. The 1996 law authorized fixed payments to producers as well as loan guarantees for farmers that are made available twice a year, in December or January and again in September. The 105th Congress amended the 1996 law to allow producers a one-time opportunity to take their entire PFC payment for 1999 at any time during that fiscal year, making \$5.5 billion available immediately to help cash-strapped farmers who are suffering from low crop prices. Floor action is expected sometime in May.

Regulatory Right-to-Know Act (H.R. 1074) — H.R. 1074 is designed to guarantee the public's right to know the benefits and costs of regulatory programs, as well as increase government accountability for the impact of regulations on the public. The bill requires the Office of Management and Budget (OMB) to prepare an annual accounting statement and an associated report to provide estimates of the costs and benefits of federal regulatory programs, as well as analyze the direct and indirect impacts of federal rules and paperwork on state and local governments, the private sector, small businesses, wages, consumer prices, and economic growth. The bill was introduced by Mr. Bliley *et al.*, and the Government Reform Subcommittee on National Economic Growth, National Resources, and Regulatory Affairs approved the bill by voice vote on April 20.

Social Security Reform — The Republican leadership has identified Social Security reform as one of its top congressional priorities this year. The Social Security system is now accruing more revenues than it is spending in outlays; beginning in 2013, however, Social Security will pay out more in benefits than it receives in payroll taxes, and the trust fund will be completely depleted by 2032. These problems will be magnified in the next decade when the baby boom generation begins to reach 65. In fact, the ratio of workers supporting the system to recipients is expected to fall from 3.4-to-one today to two-to-one in 2030.

- * **The President's Framework.** In his budget for FY 2000, the president proposed using 62 percent of the projected federal budget surpluses (\$2.8 trillion of some \$4.5 trillion in surpluses) over the next 15 years to simultaneously shore up the Social Security system and pay down the publicly-held debt. In addition, the president's plan will allow the government to invest almost \$600 billion of trust fund money in the stock market for the first time ever, with the remainder invested in federal government securities. The administration estimates that this proposal will keep the system solvent until 2055. The framework fundamentally changes the self-financing nature of Social Security by using general revenues and private market investments to support the program. Historically, Social Security has been financed almost exclusively through dedicated payroll taxes. In addition, the president also proposed that \$500 billion of the budget surpluses be used to create new Universal Savings Accounts (USAs)—a 401(k)-like savings account that individuals will control to supplement Social Security benefits.
- * **Congressional Plans.** Lawmakers are exploring a variety of reform options. Some members support a plan to allow individuals to establish private savings accounts with a small portion of their payroll taxes. Last year, Senator Daniel Patrick Moynihan outlined such a proposal that garnered bipartisan support. Other lawmakers may propose other ideas such as using part of the surplus to fund personal accounts to supplement Social Security or making other benefit or tax changes to achieve solvency.

As part of the FY 2000 budget resolution, the House called for establishing a "lock-box" to reserve all of the Social Security Trust Fund surplus to ensure it is not spent for other purposes (as opposed to the president's plan to divert a portion of the surpluses). This plan dedicates \$1.8 trillion of Social Security surpluses over 10 years—more money than the president's plan—to reduce public debt, thereby strengthening the system. The Ways & Means Committee recently held a series of hearings on the president's plan—and will continue to hold hearings—as it considers the gamut of Social Security reform options.

Superfund Reauthorization (H.R. 1300) — Superfund is a hazardous waste cleanup program that is funded through chemical excise and corporate environmental income taxes. The fund pays for cleanup of hazardous chemicals that have been released into the ground and water where no party is found liable. Although many parties are potentially responsible for paying cleanup costs, identifying liable parties has led to an endless flow of litigation. With so much money at stake, many companies would rather incur the legal expense to avoid payment. Although the authority to tax expired in 1995, the Congressional Budget Office estimates that current funds will last until sometime in FY 2000. Mr. Boehlert recently introduced legislation (H.R. 1300) that has garnered bipartisan support. Specifically, the measure (1) promotes state brownfields and voluntary cleanup programs; (2) provides liability relief for small businesses, recyclers, and municipalities; (3) amends the law's remedy selection provisions; and (4) reinstates the Superfund taxes. The Transportation Water and Resources Subcommittee is planning hearings on the legislation over the next month.

Tax Relief — Tax relief has been identified as one of the top congressional priorities in the 106th Congress. The FY 2000 budget resolution calls for a tax cut of approximately \$15 billion in FY 2000, \$142 billion over five years, and \$778 billion over 10 years. The resolution requires the Ways & Means Committee to report a tax cut bill by July 16. As part of this bill, the committee may consider a number of measures to provide tax relief, including (1) adjusting tax rates to provide overall tax relief, such as an across-the-board tax cut; (2) expanding the number of individuals eligible for the 15 percent tax bracket; (3) eliminating unfairness in the tax code, specifically the marriage penalty and the “death tax” (estate and gift taxes); (4) reducing capital gains taxes; and (5) expanding education savings accounts (ESAs) to cover elementary and secondary school expenses. In addition, the committee is expected to extend a number of expiring tax provisions, such as the Research, Work Opportunity, and Welfare-to-Work tax credits.

Tuition Aid for D.C. Residents (H.R. 974) — H.R. 974 permits residents of the District of Columbia to attend any state college or university and pay in-state tuition fees. Graduates of high school must have lived in the District for at least one year and will be allotted up to \$10,000 to offset differences between tuition charged for out-of-state students and in-state residents. Furthermore, H.R. 974 authorizes up to \$3,000 per year for qualified students to pay tuition at private institutions within Maryland, Virginia, and the District. The Government Reform Subcommittee on the District of Columbia approved this bill by voice vote on April 15. The bill is expected to be considered on the House floor this spring.

USDA Farm Credit Program Refinement — The Agriculture Committee plans to craft legislation to make changes in the administration of both direct and guaranteed loan programs for farmers. Current law authorizes the USDA to make and guarantee loans for farm ownership and operating expenses. Due to price and production volatility and the capital and land intensive nature of production agriculture, such loans are crucial to providing the liquidity necessary to sustain many farming and ranching operations in rural America. The committee plans to draft legislation to make minor changes to the loan programs to alleviate the current “credit-crunch” brought on by low prices and crop losses. The House is expected to consider this measure sometime in May.

Veterans Dependency & Indemnity Compensation (H.R. 784) — H.R. 784 authorizes the payment of dependency and indemnity compensation to the surviving spouse of a veteran who (1) died while totally disabled from a service-connected disability; (2) was a former prisoner of war who died after September 30, 1999; and (3) had been diagnosed as having one of the diseases specified as being service-connected

(and therefore eligible for compensation) under veterans' disability compensation or benefit provisions. The measure was introduced by Mr. Bilirakis; the measure is expected to be ready for floor consideration later this summer.

Veterans Tobacco Trust Fund (H.R. 691) — In his State of the Union address, the president announced his intention to authorize the Justice Department to bring suit against tobacco product manufacturers to recover costs incurred by federal government health-care programs (similar to the suits brought by many states). While the VA health care system is spending \$3 billion annually caring for veterans' smoking-related illnesses, the Clinton Administration has yet to commit to providing any recovered funds from this lawsuit for veterans' health care. Mr. Stearns introduced legislation (H.R. 691) to ensure that the VA receives a proportional amount of any funds recovered under such a federal suit. The bill establishes a trust fund for any recovered funds and dedicates such funds to VA medical care and research.

Veterans Transition Assistance — In 1996, Congress established a commission to study programs designed to help with readjustment problems encountered by personnel reentering civilian life after military service. Under current law, various federal agencies, among them the Departments of Veterans Affairs, Defense, and Labor, and the Small Business Administration, administer programs to assist military personnel in their transition from active duty to civilian life. The commission's review of benefits and services—submitted to Congress earlier this year—is the most comprehensive since the Bradley Commission in 1956. The commission found that, in some cases, benefits and services have become so outdated—and program management so ineffective—that they “break the faith with those who served, and currently serve, their nation in uniform.” The commission made more than 100 recommendations, including addressing issues such as education, employment, health care, economic equity, and organizational structure. The following two bills are expected to be ready for floor consideration later this summer:

- * **Servicemembers and Veterans Transition Services Improvement Act (H.R. 606)** — H.R. 606, which was introduced by Messrs. Stump and Evans, includes many of the recommendations proposed by the commission, including addressing such issues as education (e.g., enhancing the Montgomery GI Bill), employment, health care, economic equity, and organizational structure.
 - * **Veterans Servicemembers Educational Opportunity Act (H.R. 1182)** — H.R. 1182, introduced by Chairman Stump, is designed to expand and improve benefits under the Montgomery G.I. Bill (MGIB) for persons who enlist for four years of active-duty service or reenlist for four years of such service effective October 1, 1999. The enhanced program will (1) pay 90 percent of the costs of tuition and fees; (2) pay a sum equal to the reasonable cost of books and supplies; (3) pay a monthly stipend of \$600 for full-time enrollment (or proportional amount for less than full-time enrollment); and (4) repeal the current \$1,200 reduction in pay to be eligible for the benefit. Individuals will qualify for 36 months of educational assistance (four years) and tutorial assistance (no change from current law). An individual who receives a “kicker” to the basic MGIB will have the option to elect either the “kicker” or the enhanced educational assistance program.
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World War II Memorial Completion Act (H.R. 1247)— H.R. 1247 expands the fund-raising authorities of the American Battle Monuments Commission and allows it to borrow funds from the U.S. Treasury for a brief period. The commission must pay interest on the borrowed amount. The measure is designed to expedite the construction of the World War II memorial in Washington, D.C., and ensure adequate funds for long-term repairs and maintenance of the memorial. The bill was introduced by Chairman Stump *et al.*; the bill is expected to be ready for floor consideration later this summer.

Three to Six Months

Airline Passenger Bill of Rights (H.R. 700)— Chairman Shuster introduced legislation to grant airline passengers a number of protections when dealing with the airline industry. The legislation is designed to encourage better service and make the airlines more responsible to their passengers. Specifically, the measure requires airlines to compensate passengers stuck on runways for two or more hours. The bill also provides consumers with additional information in dealing with the industry, requiring airlines to (1) explain why flights have been canceled or delayed, and (2) inform passengers how many seats are available for use by those redeeming frequent flyer awards. According to the Transportation Department, the number of passenger complaints per 100,000 passengers boarding was 26 percent higher in 1998 than the previous year. The Aviation Subcommittee recently held a series of hearings on the bill.

American Homeownership and Economic Renewal Act— Mr. Lazio will soon introduce legislation similar to a House-passed measure from the 105th Congress. The measure reduces barriers to affordable housing with grants to states and local governments for regulatory barrier removal strategies. The proposal requires all federal agencies to include a housing impact analysis with any proposed regulation to certify that the regulation will have no significant negative impact on the availability of affordable housing. Local nonprofit and community development groups will be able to offer alternatives if such regulations have a negative impact on affordable housing. The legislation also enables families who receive federal housing assistance, such as public housing or Section 8 housing, to use these funds to achieve homeownership in the form of a down payment or monthly mortgage payment assistance. The bill also (1) contains provisions to assist self-help housing providers, such as Habitat for Humanity; (2) provides increased flexibility to localities in their use of HOME funds; (3) establishes procedures designed to enhance and improve manufactured housing; (4) addresses concerns raised regarding the Native American housing program; and (5) provides homeownership assistance to teachers who live and teach in distressed neighborhoods. The House passed similar legislation (H.R. 3899) by voice vote last year. The proposal may be ready for floor consideration later this year.

Campaign Reform— Speaker Hastert has stated that the House will debate campaign reform sometime this fall. Last year, the House considered 11 separate reform measures as part of a broad debate before adopting the Shays-Meehan substitute by a vote of 252-179. A similar measure in the Senate (the McCain-Feingold bill) failed to surmount a filibuster led by Senator McConnell. Two discharge positions (H.Res. 122 and H.Res. 126) have been filed in the House to bring campaign finance reform to the floor this year.

The Shays-Meehan bill eliminated federal and state soft money that influences federal elections. It redefined the concept of “express advocacy,” as it applies to campaign spending by independent groups and party

organizations, to include radio and television communications that refer to a clearly identified federal candidate within 60 days of an election or those communications that include unmistakable support for, or opposition to, a clearly identified federal candidate outside the 60-day period. The measure permitted only hard money to be used for express advocacy ads. It required candidates to file their FEC reports electronically and required the FEC to post reports on the Internet. It clarified restrictions on fundraising on federal property and codified the Supreme Court's *Beck* decision. Finally, the measure banned political parties from making coordinated expenditures on behalf of candidates who spend more than \$50,000 of their own funds.

The bill introduced by Messrs. Shays and Meehan in the 106th Congress has little differences from last year's version, save for new provisions regarding foreign national donations, fund-raising on government property, and adding a commission to study and recommend more reforms.

Capitol Security — The House Administration Committee plans to continue examining measures to improve the security of the Capitol complex. These improvements include (1) renovating the Capitol and congressional office buildings; (2) enhancing the Capitol's Security Perimeter; and (3) building a Capitol Visitor's Center. The deaths last year of two Capitol Hill police officers have brought heightened attention to the safety of members, staff, and visitors. The Architect of the Capitol recently approved plans to improve security that were reviewed by the committee. The committee is expected to mark up a bill to address security concerns within the next six months.

Coastal Barrier Resources System — The 1982 Coastal Barrier Resources Act (*P.L. 97-348*) ended federal financial assistance on undeveloped coastal barriers included in the Coastal Barrier Resources System. Inclusion in the system does not prevent private development, but restricts the use of federal funds for flood insurance, highway construction, and water and sewer grants. During the 104th and 105th Congresses, legislation was enacted to remove certain coastal barrier lands in Florida, New York, and South Carolina that were incorrectly incorporated within the system. Legislation may be introduced during this Congress to remove additional lands in Delaware, Florida, and South Carolina from the system. The Subcommittee on Fisheries Conservation, Wildlife, and Oceans will examine the merits of each of these proposals and may consider legislation to reauthorize or amend the original underlying law.

Coastal Zone Management Act (H.R. 1110) — Enacted in 1972, the Coastal Zone Management Act (CZMA *P.L. 92-583*) encourages states to regulate land and water uses that affect their coastal zones. While the program is voluntary, states receive grant money to develop a plan that, when approved by the National Oceanic Atmospheric Administration (NOAA), makes them eligible for further federal assistance to help manage their coastal programs. In 1996, the Congress enacted the Coastal Zone Protection Act (*P.L. 104-150*), which reauthorized CZMA funding programs until September 30, 1999. The Resources Committee held an oversight hearing on the law before considering reauthorizing the legislation. The Subcommittee on Fisheries Conservation, Wildlife, and Oceans is scheduled to mark up the measure on April 22.

Commercial Space Launches — The Science Committee plans to consider legislation to (1) renew the indemnification provisions of the 1984 Commercial Space Launch Act (*P.L. 98-575*), which expire on December 31, in order to boost the competitiveness of domestic space launch companies; (2) encourage

greater private control over commercial launches; (3) improve the infrastructure, especially launch pads, of major launch ranges; and (4) fund new space transportation technologies.

Community Renewal (H.R. 815) — Mr. Watts and Mr. Talent recently reintroduced the American Community Renewal Act, a measure to create jobs, stimulate investment, and assist families in impoverished neighborhoods. The bill establishes criteria to allow impoverished neighborhoods to become “renewal communities,” thereby qualifying for tax and regulatory relief and expanded home ownership opportunities. The bill aims to be a first step at rebuilding low-income communities through the cooperation of state and local governments, religious organizations, and the aid of private philanthropy. Jurisdiction on the bill is shared among the Ways & Means, Commerce, Banking, and Budget committees.

Conservation and Reinvestment Act (H.R. 701) — The Resources Committee is considering legislation introduced by Chairman Young to create a fund to distribute royalties collected from outer continental shelf (OCS) oil and gas operations to states, the federal government, and local communities for various environmental improvement activities. The measure attempts to resolve the inequity of oil and gas revenue distribution while reinvesting funds for important conservation and recreation programs. Specifically, the measure (1) creates a revenue sharing fund for coastal states and eligible local governments to mitigate the various impacts of OCS activities; (2) guarantees stable and annual funding for the Land and Water Conservation Fund (LWCF) at its authorized level of \$900 million; and (3) authorizes funding for important recreation projects through the Urban Parks and Recreation Recovery Program (UPARR). OCS revenues currently generate approximately \$4 billion each year. The committee recently held a hearing on the bill on March 9; however, it has not yet scheduled a date for markup.

Contract “Bundling” — The Small Business Committee may consider legislation sometime this summer to address the “bundling” of government requirements—i.e., the consolidation of two or more contracts for supplies, services, or construction in such a manner that it precludes small businesses from competition.

Debt Relief and Poverty Reduction Act (H.R. 1095) — H.R. 1095, which was introduced by Messrs. Leach and LaFalce, cancels most of the debt owed to the U.S. government by the world’s poorest countries and reduces the debt owed to the World Bank, International Monetary Fund, and other international financial institutions. The measure requires debt relief to be targeted to reduce poverty and provide basic social services. The bill is part of the Jubilee 2000 campaign—an international movement of churches and other organizations working to achieve debt cancellation for the world’s poorest countries and to promote development that benefits poor people. The 40 nations classified by the World Bank as “highly indebted poor countries” currently owe \$6.8 billion to the United States.

Democratic Rights for Union Members — Last session, legislation was introduced (H.R. 4770) to amend the 1959 Labor Management Reporting and Disclosure Act (LMRDA) to allow rank-and-file members of a union and local union affiliates to authorize trusteeships—which have financial control over unions—through hearings before an executive board or some other body of the organization. In addition, the bill requires that intermediate union officers be directly elected by union members. Similar legislation may be introduced during the current session.

The purpose of amending the LMRDA—the only federal law that governs the relationship between labor leaders and rank-and-file union members—is to ensure that union officials are accountable to their members. Last year, the Employer-Employee Relations Subcommittee held several hearings into the degree to which union members are involved in labor negotiations as well as the level of access members have to the financial information of unions. Testimony in those hearings suggested that the democratic rights of union members have significantly eroded and that reform is necessary.

Depository Institution Regulatory Streamlining Act — In the 105th Congress, the House passed legislation (H.R. 4364) by voice vote to reduce the regulatory burden on national banks, state banks, and savings associations. Although the Senate did not consider the measure before adjournment, the committee is expected to consider similar legislation this year. The bill streamlines the regulation of depository institutions and safeguards confidential banking and credit union supervisory information in order to: (1) improve monetary policy; (2) improve depository institution management practices; and (3) streamline federal agency requirements. The Financial Institutions and Consumer Credit Subcommittee is expected to begin hearings on the measure in April.

Export Administration Act — The Export Administration Act (EAA), which authorizes the president to regulate exports, including dual-use technologies, expired in 1994. In 1996, a bill to reauthorize the law passed the House but was not acted on by the Senate. The International Relations Committee plans to craft legislation to reauthorize the EAA, but also plans to explore what aspects of the yet-to-be-released report from the Cox Select Committee on China potentially may be incorporated into the bill. The committee expects to mark up the bill within the next six months.

Fair Labor Standards Act (FLSA) Reform — The 1938 Fair Labor Standards Act (FLSA) governs payroll and scheduling practices in most workplaces in the U.S. During the 104th and 105th Congresses, several oversight hearings were held to determine how best to modernize FLSA regulations. It is widely accepted that FLSA regulations have not kept pace with technological changes. For example, employers are largely prohibited from working out flexible arrangements regarding scheduling and compensation with their employees. Moreover, employers often face costly litigation and uncertainty as a result of conflicting interpretations of the FLSA by the U.S. Department of Labor and the courts.

The following are key FLSA issues the committee expects to consider:

- * **Bonuses/Gainsharing.** The FLSA requires employers to include performance bonuses in an hourly-paid employee's regular rate of pay for the purposes of calculating overtime pay. Employers must divide the bonus by the number of hours the employee worked in the given pay period and add that amount to the employee's regular rate of pay. This rate must then be used to determine time-and-a-half overtime pay for the given pay period. This requirement often discourages employers from awarding bonuses to hourly-paid employees for good performance. Executive and administrative employees, however, are not covered by the FLSA and thus are regularly awarded bonuses.

During the 105th Congress, Mr. Ballenger introduced a bill (H.R. 2710) to amend the FLSA to stipulate that an employee's regular pay rate, for purposes of calculating over-

time compensation, will not be affected by additional payments to reward exceptional performance by an employee or group of employees.

- * **Compensatory Time.** During the 105th Congress, Mr. Ballenger introduced the Working Families Flexibility Act (H.R. 1), which amended the FLSA to allow the private sector to use compensatory time instead of cash overtime pay, based on an agreement between the employer and the employee. (Currently, only federal, state, and local government workers have the option of taking time off instead of additional take-home pay.) The bill passed the House in March 1997 by a vote of 222-210, but was not acted on by the Senate. The committee expects to report a similar if not identical bill sometime this year.
- * **Emergency Medical Service (EMS) Personnel.** The FLSA permits public employers to pay overtime compensation to firefighters and law enforcement personnel in work periods of 28 consecutive days. However, the courts have ruled that EMS personnel, despite the specialized training they receive and the level of preparedness—similar to that of firefighters and police officers—they must maintain, do not qualify for the overtime exemption. Three similar bills were introduced in the 104th Congress but were not considered by the committee.
- * **Minimum Wage.** The president and the Democrats have called for another increase in the minimum wage. The last increase was implemented in 1996, when Congress increased it from \$4.25 per hour to \$5.15 per hour. Mr. Quinn recently introduced a bill (H.R. 964) to increase the \$5.15 minimum wage by one dollar over three years and tie further increases to the cost-of-living index.
- * **Sales Incentive Compensation Act (“Inside Sales”).** Last session, the House passed the Sales Incentive Compensation Act (H.R. 2888; *H.Rept. 105-558*) by a vote of 261-165 in June 1998; however, it was not acted on by the Senate. The bill provided an exemption from overtime requirements for certain sales people who meet stringent requirements regarding job duties, compensation structure, and minimum salary. Current law exempts those who work outside the confines of the employer’s establishment, physically traveling from customer to customer; but the FLSA does not exempt sales employees who work within the employer’s establishment. The committee will likely consider this issue again during the 106th Congress.

Fast Track Trade Authority — Last fall, the House defeated legislation (H.R. 2621, *H.Rept. 105-341, Pt. 1*) to grant the president “fast track” authority to negotiate trade agreements by a vote of 180-243. Under fast track procedures, Congress must consider trade agreements within mandatory deadlines, with limited debate, and without amendment (the authority to implement trade agreements with fast-track procedures expired in 1994). In the 105th Congress, the president and the Republican leadership agreed that—because the final vote was expected to be very close—the president must secure enough Democratic votes for passage of the measure. Although the administration claims to support fast track, it opposed the measure’s consideration late last year. Granting the president fast track authority is a contentious issue, largely because of congressional concerns about delegating too much discretionary authority to the president and disagreements over what subjects are appropriate to include in U.S. trade negotiations, such as the issues of labor practices and environmental regulation by the countries joining the agreement.

Federal Crop Insurance Program Improvement — The FY 2000 budget resolution called for new budget authority to make needed improvements in the crop insurance program. The Agriculture Committee is expected to consider legislation this spring to give farmers more attractive and affordable crop insurance. U.S. farmers are subject to unpredictable weather and volatile world markets that are beyond their control. The frequency and widespread nature of natural disasters generate substantial uncertainty over crop yields. Improvements to the Federal Crop Insurance Program will be geared toward offering more effective protection against risks that can wipe out the most prudent of producers in one fell swoop. Under the current the crop insurance program, farmers in fertile production areas who in recent years have had low/no production are penalized by higher premium costs and less coverage. In the next few months, the committee will consider short-term improvements that will be the precursors to a more comprehensive effort to strengthen the safety net for America's farmers and ranchers without impairing U.S. global competitiveness.

Federal Railroad Administration — The Transportation Committee is expected to consider legislation to reauthorize the Federal Railroad Administration (FRA) later this year (the authorization for federal railroad safety laws expired in 1998). The FRA is charged with ensuring the safety of our nation's 700 railroads, including the regulation and inspection of 220,000 miles of track and more than 1.2 million cars and locomotives. The FRA administers federal railroad safety laws that address railroad operating practices and the safety of equipment for freight, passenger, and commuter railroads. In addition, the FRA oversees compliance with various laws and regulations that protect America's 200,000 railroad workers, such as limitations on working hours, the proper training and certification of railroad engineers, and drug and alcohol testing programs for rail personnel in safety-sensitive positions.

Flag Desecration Amendment (H.J. Res. 5) — Mrs. Emerson introduced a resolution proposing an amendment to the Constitution which states that "the Congress shall have power to prohibit the physical desecration of the flag of the United States." It defines neither "desecration" nor "flag," and does not itself prohibit any action. Rather, it enables Congress to enact flag-protection legislation without fear of such laws being ruled unconstitutional. Last session, the House approved the resolution (H.J. Res. 54; *H.Rept. 105-121*) by a vote of 310-114 on June 12, 1997; the Senate did not act on the measure.

Hazardous Materials (HAZMAT) Transportation Program Reauthorization (H.R. 968) — The Transportation Committee will consider legislation to reauthorize the HAZMAT program—which governs the transportation of hazardous materials via highway, water, rail, and air. The reauthorization will likely address issues such as the Department of Transportation's authority to open packages during roadside inspections, continued funding for uniform state programs for registrations and permits, and the promulgation of new propane gas regulations.

Individuals with Disabilities Education Act (IDEA) Funding — The Individuals with Disabilities Education Act (IDEA) was enacted in 1975 to ensure that children with disabilities receive a free and appropriate education. Today, the federal government funds 12 percent of the IDEA mandate on states and local communities, an amount far short of the 40 percent promised when the program was enacted. Over the last three fiscal years, Congress has increased IDEA funding by \$2 billion. The committee expects to continue the effort to increase the IDEA funding mandate.

Medicare Reform — The 1997 Balanced Budget Act (BBA; *P.L. 105-33*) established the National Bipartisan Commission on the Future of Medicare to examine Medicare reform proposals and submit recommendations to Congress. While the BBA ensured the solvency of the Medicare Trust Fund for the next 10 years, the program's financing mechanism will be unable to sustain it in the long run. The commission disbanded because it was unable to garner enough votes (it was one vote short of the 11 needed for a supermajority on the 17-member panel) to recommend a formal proposal to Congress. The commission, chaired by Senator Breaux and Congressman Thomas, was preparing to recommend a premium support model based on the current Federal Employees Health Benefits Program (FEHBP).

Although the commission did not make any formal recommendation to Congress, its co-chairmen vowed to move their proposal forward this year. Under the Breaux-Thomas proposal, a new Medicare board will negotiate premiums and benefits in private plans as well as a government fee-for-service program similar to that used by 83 percent of beneficiaries. The government would give beneficiaries a contribution toward premiums, and they would have the option to select from an array of health options, from private health insurance plans to a traditional government-run fee-for-service plan. Beneficiaries would pay about 12 percent of the premium for a standard benefit package, with some seniors paying nothing for low-cost plans and others paying more for higher-cost plans. The Breaux-Thomas proposal includes an immediate drug benefit for low-income seniors (those earning 35 percent above the poverty level; \$10,568 per year for an individual and \$13,334 for a couple). The commission disbanded because panelists disagreed, among other things, on whether to offer comprehensive prescription drug benefits. The Ways & Means Committee is examining this proposal, as well as other reform options, as it continues to hold hearings on this issue.

Microenterprise Act (H.R. 413) — H.R. 413 authorizes the Community Development Financial Institutions (CDFI) Fund to establish a microenterprise technical assistance and capacity building grant program. The measure authorizes the use of funds from the Program for Investment in Microenterprise (PRIME) to provide training and technical assistance to low income, disadvantaged entrepreneurs interested in starting or expanding their own businesses. A microenterprise is generally defined as a sole proprietorship that has fewer than five employees, has not had access to credit from commercial banks, and requires a loan in an amount under \$15,000. The 1996 Directory of U.S. Microenterprise Programs lists 328 microenterprise assistance programs throughout 46 states and the District of Columbia, approximately three-quarters of which were established within the last 12 years. These programs work with low-income populations to develop the necessary skills for managing and running a business. The bill was introduced by Mr. Rush *et al.* on January 19, 1999.

Occupational Safety and Health Act (OSHA) — For the last four years, Congress has considered various measures to reform the 1970 Occupational Safety and Health Act. Republican proposals have, in the main, focused on (1) regulatory reforms, such as requiring outside “peer review” for the scientific and economic data used in standards; (2) promoting voluntary efforts and cooperative programs to improve safety and health; (3) redirecting penalties and enforcement toward more serious violations; and (4) consolidating federal health and safety programs. The Education & the Workforce Committee expects to draft legislation to address these concerns.

Office of Educational Research and Improvement (OERI) — The OERI, which is currently funded at \$150.6 million, is an Education Department office responsible for (1) conducting research and

demonstration projects; (2) collecting statistics on the status and progress of schools and the public education system at large; and (3) distributing information and providing technical assistance to legislators and educators. The authorizing vehicle for the OERI is the Goals 2000: Educate American Act (*P.L. 103-227*). The debate on OERI reauthorization will likely turn on the office's research focus, the reliability of that research, and the efficiency of OERI research facilities.

Older Americans Act (OAA) Reauthorization (H.R. 782) — H.R. 782 reauthorizes the Older Americans Act (OAA), which lapsed in 1995. The OAA covers various programs for the elderly—including home care, recreation, and nutritional services—as well as provides community service employment programs.

Security and Freedom Through Encryption (SAFE) Act (H.R. 850) — The bill amends current law to affirm the right of U.S. citizens to use and sell encryption and to relax export controls on encryption. Electronic and wire communications, as well as electrically stored information, is “encrypted,” scrambled by mathematical formulas or algorithms in order to preserve confidentiality and prevent unauthorized access. The measure prohibits the federal government and states from requiring that a so-called “key”—the means to decrypt wire communications or electronically stored information—be (1) built into computer hardware or software, (2) provided to the federal government or states, or (3) retained by the manufacturer of the software; however, this provision does not apply to law enforcement entities or to the intelligence community.

If encryption is used for criminal purposes, the bill establishes a prison term of up to five years and a fine for a first offense and up to 10 years and a fine for a second offense. The measure, however, stipulates that the use of encryption is not sufficient for establishing probable cause to obtain a search warrant. Finally, the bill amends the 1970 Export Administration Act to lift the export license requirement—after a one-time, 15-day technical review by the Commerce Secretary—on commercially available encryption devices. The bill was introduced by Mr. Goodlatte on February 25, 1999.

San Gabriel Basin Drinking Water Initiative (H.R. 910) — H.R. 910 authorizes the federal government to provide \$75 million over five years to the San Gabriel Water Quality Authority to promote consensus cleanup efforts for water pollution in the San Gabriel Basin. The measure also authorizes \$25 million nationally for research into more cost-effective methods for cleaning up perchlorate (for which there isn't any easy or inexpensive cleanup method). Local water agencies from around the country will compete for these funds. The legislation is designed to promote regional groundwater cleanup and fund research into the most cost-effective way to deal with perchlorate contamination, and is intended to build on the public-private regional approach to solving the San Gabriel Valley's drinking water problems. The measure was introduced by Mr. Dreier and is expected to be considered later this year.

Small Business Administration Equal Representation Act (H.R. 536/S. 287) — The Small Business Committee may soon consider legislation to amend the Small Business Act to require the Small Business Administration (SBA) to establish a regional or branch office in each state. The bill was introduced by Mr. Castle.

Small Business Regulatory Assistance Act (H.R. 296) — The House may consider a measure to amend the Small Business Act to require the Environmental Protection Agency (EPA), the Internal Revenue

Service (IRS), the Labor Department, the Office of Small Business Development Centers (OSBDC), and representatives of small business associations to agree to a regulatory compliance assistance plan. The OSBDC must develop and publish guidelines for the plan. The measure was introduced by Mr. Sweeney on January 6, 1999.

Surface Transportation Board Reauthorization — During the 104th Congress, lawmakers created the Surface Transportation Board (STB; *P.L. 104-88*) to replace the Interstate Commerce Commission. The board has jurisdiction over interstate surface transportation modes such as railroads, trucking, water carriers, freight forwarders, and transportation brokers. The Transportation Committee will consider the first reauthorization of the STB this year. The Ground Transportation Subcommittee held a number of hearings on the issue last year and reauthorization legislation is expected to be ready for floor consideration by late summer or early fall.

Traffic Stops Statistics Study Act — Mr. Conyers will reintroduce a bill that aims to increase police awareness of the problem of targeting minorities for car searches and reduce the number of discriminatory traffic stops. The bill requires the Attorney General to acquire and publish an annual summary of data about all stops for routine traffic violations by law enforcement officers. The data must include the age and race or ethnicity of the individual stopped, the number of individuals in the vehicle at the time of the stop, and the alleged traffic infractions committed by the driver of the vehicle. The data included in these reports may not be used for purposes other than research or statistics, and the identity of any individuals or law enforcement officers involved may not be revealed. Additionally, the bill prohibits the use of data acquired by the study in any legal or administrative proceeding to establish an inference of discrimination. The House passed an identical measure (H.R. 118; *H.Rept. 105-435*) by voice vote on March 24, 1998.

United States-Panama Partnership — The International Relations Subcommittee on International Economic Policy and Trade is expected to consider a bill in July or September to allow Panama to join the North American Free Trade Agreement (NAFTA) on the condition that it allow the U.S. military to maintain bases in Panama for counter-narcotics purposes after December 31, 1999—when control of the Panama Canal reverts to the Panamanian government.

Welfare Reform — In 1996, Congress enacted the historic welfare reform law (*P.L. 104-193*) that established a fixed block grant for state-designed welfare programs of time-limited and work-conditioned aid to families with children. The Ways and Means committee is expected to consider legislative proposals to improve, update, and/or make technical modifications to the underlying law later this year.

Wetlands Mitigation Banking — The Transportation Committee may consider legislation to amend the Clean Water Act. Such a measure may authorize the Army Corps of Engineers to establish, use, and operate mitigation banks as a tool to meet compensatory mitigation requirements under the Section 404 wetlands permit program and help restore and improve the nation's wetlands. Last year, the Water Resources and Environment Subcommittee reported legislation (H.R. 1290) on this issue by a vote of 24-10; however, the full committee did not consider the bill before adjournment.

World Bank Group — The World Bank Group is comprised of five agencies that facilitate economic development in developing countries. The World Bank was established with U.S. leadership in 1945 to make or guarantee loans for reconstruction and development projects in less-developed countries. During the 106th Congress, the Clinton Administration is likely to request congressional authorization for additional funds for the World Bank's International Development Association, the Multilateral Investment Guarantee Agency, the African Development Bank, and other possible funding requests. The Banking Subcommittee on Domestic and International Monetary Policy will likely hold hearings to review these issues.

Radar Screen is a periodic publication of the *Legislative Digest*. If you wish to submit new or updated information, please contact Brian Fortune at x6-2304.

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